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Record of a meeting to discuss the coal dispute at 1900
on 3 July, 1984

Present:

Prime Minister
Secretary of State for Energy
Mr. MacGregor
Mr. Gregson
Mr. Butler
Mr. Turnbull

The Prime Minister said that in announcing that talks were to take place between the NCB and NUM Mr. Scargill had claimed that these were at the request of the NCB and that the NUM would be maintaining its demand that no pit could be closed other than on grounds of exhaustion. She asked Mr. MacGregor to set out the background to these talks and to explain the NCB's negotiating strategy.

Mr. MacGregor said that it was not correct that talks had been sought unilaterally by NCB. They had risen out of Mr. Orme's efforts, as mediator, to get talks resumed "on the Edinburgh basis". At Edinburgh, NCB had sought to engage the NUM in discussion of a wider definition of pits for closure. It was agreed that pits could close on grounds of exhaustion and safety, and the NUM had been invited to suggest a form of words under which they could accept that uneconomic pits would close. The NCB had taken the line that provided it was free to secure the closures necessary, it could afford to be flexible about the way this was described. A discussion of this issue had been

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initiated, and it was agreed to resume in a few days time.

Mr. MacGregor explained that the breakdown of the talks in Rotherham may have been deliberately contrived by the NUM, but it was possible that the breakdown was accidental. It turned out that the hotel booked for the talks was being used by the television crews covering Orgreave, so that when Mr. Scargill arrived he ran into a battery of press and television. This had angered him, and it never proved possible to restore the atmosphere of the earlier talks. Since Rotherham, Mr. Orme had been in contact with all the parties, and agreement had finally been reached on a resumption of discussions on pit closures.

Mr. MacGregor said the NCB's aim was to achieve a position where the business could be managed in a way in which miners could be moved from unproductive pits which were a drag on the business, to more productive pits where they could earn higher bonuses. His tactic was to get the NUM to put forward language which it could accept but which would allow the NCB to secure its objective.

In discussion it was argued that Mr. Scargill could be genuinely seeking a resolution of the pit closure issue, but equally there was little evidence that he was losing control of the rest of the Executive. He might well therefore be entering talks in the expectation that they would break down in circumstances from which he could extract advantage ahead of the delegate conference on 11/12 July. In case this happened, it would be vital for the NCB to have prepared a note to take into the meeting setting out its position which could be released to the Press immediately afterwards. It was essential not to allow the NUM a free run with the Press as happened after Rotherham. The NCB should also protect itself by having a transcript made of the meeting.

It was not clear how keen Mr. Scargill was to pursue the definition of closable pits; there was some evidence that this was more an idea of Mr. Heathfield's. There were dangers in trying to find a form of words which would satisfy the NUM. Plan for Coal had incorporated an ambiguous formula by referring only to exhausted capacity, while setting a figure which could only be achieved by going beyond simply exhausted pits. This ambiguity was exploited by Mr. Scargill who could argue that he was acting within the spirit of Plan for Coal; the same thing could happen again.

The Prime Minister said the strategy should be to seek a definition of closable capacity, perhaps by setting a figure in a re-worked Plan for Coal. Thereafter negotiations on which pits would be closed could then return to the local level. Mr. MacGregor said the only dimension on which he could be flexible was over timing.

Mr. Gregson reported on the work into increasing endurance. This had identified the following possibilities:

(i) Efforts to move stock from pit heads to power stations should concentrate on those pits and open cast sites which were working. This could allow perhaps 150,000 tons of coal a week to move to power stations in non-strike areas, thereby extending endurance to March.

(ii) In increasing imports it was important to avoid displacing traffic through small ports, and to avoid competing for lorry capacity. This could be done by concentrating movements on the Thameside coal burning power stations. While this might allow imports of 70-100 thousand tons a week, it could put at risk the cooperation of power station workers, and hence the oil burn programme which was worth a great deal more. It was recommended that

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a decision on this be postponed.

Mr. Walker said that under the present rules RMPS was paid in conjunction with unemployment benefit, but UB could be paid only to those leaving work. This meant that the combined benefit could not be claimed by those on strike. The NCB was trying to organise a mass return to work in certain areas in which those wishing to claim redundancy would report to work for a short period, perhaps only a week, but in doing so would provide support for those who wished to resume working. It was noted that this ruled out the strategy of securing 20,000 redundancies and then arguing that the strike was pointless as all men on strike could return to guaranteed employment. The NCB's approach meant that the redundancies had to be simultaneous with a return to work, and could not be used in advance to open up the way for a return to work.

Mr. MacGregor said the letters from Area Managers would be going out this week, accompanied by improved advertising. Mr. Walker said he had organised a panel of MPs who would be available continuously to the media to put across the Government/NCB case.

The meeting finished at 2030.

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10 DOWNING STREET

Prime Minister

Mr Gregson is not
submitting a brief as
issues with have been
discussed fully elsewhere.

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